

## Loan Agreement Requirements

Section 9006 Renewable Energy Systems and Energy Efficiency Improvements Program

§ 4280.128(b)(2)(xii) A proposed Loan Agreement or a sample Loan Agreement with an attached list of the proposed Loan Agreement provisions. The following requirements must be addressed in the proposed or sample Loan Agreement:

- (A) Prohibition against assuming liabilities or obligations of others;
- (B) Restriction on dividend payments;
- (C) Limitation on the purchase or sale of equipment and fixed assets;
- (D) Limitation on compensation of officers and owners;
- (E) Minimum working capital or current ratio requirement;
- (F) Maximum debt-to-net worth ratio;
- (G) Restrictions concerning consolidations, mergers, or other circumstances;
- (H) Limitations on selling the business without the concurrence of the lender;
- (I) Repayment and amortization of the loan;
- (J) List of collateral and lien priority for the loan, including a list of persons and corporations guaranteeing the loan with a schedule for providing the lender with personal and corporate financial statements. Financial statements for corporate and personal guarantors must be updated at least annually once the guarantee is provided;
- (K) Type and frequency of financial statements to be required from the borrower for the duration of the loan;
- (L) The addition of any requirements imposed by the Agency in Form RD 4279-3;
- (M) A reserved section for any Agency environmental requirements; and
- (N) A provision for the lender or the Agency to have reasonable access to the project and its performance information during its useful life or the term of the loan, whichever is longer, including the periodic inspection of the project by a representative of the lender or the Agency.